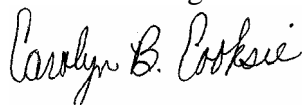


**For:** State and County Offices

**Inventory of Debt Instruments**

**Approved by:** Deputy Administrator, Farm Loan Programs



**1 Overview**

**A Background**

RD Instruction 2018-E was revised to be applicable only to Rural Development agencies and made obsolete for FSA with the issuance of FSA PN No. 152 on September 18, 2002. Before the revision, Section 2018.208 required FSA County Offices to conduct a yearly inventory of all debt instruments. FSA completion of the yearly inventory of debt instruments is currently not addressed in any RD Instruction, FmHA Instruction, or FSA handbook.

**B Purpose**

This notice continues guidance provided in FLP-235 about completing the yearly inventory of debt instruments.

**Note:** Permanent guidance about completing the yearly inventory of debt instruments will be issued in a future FLP handbook.

**C Contact**

If there are questions about this notice:

- County Offices shall contact the State Office
- State Offices shall contact LSPMD, Direct Loan Servicing Branch at 202-720-6293.

Disposal Date	Distribution
November 1, 2006	State Offices; State Offices relay to County Offices

## 2 Conducting Yearly Inventory

### A Report Code (RC) 830

In March of each year, the St. Louis Finance Office provides County Offices with RC 830, Inventory of Debt Instruments, listing all borrowers who should have debt instruments maintained in the office. RC 830 includes the following for each borrower:

- name and case number
- fund code and loan number(s)
- date of loan
- interest rate
- amount of noncapitalized interest, if applicable
- principal loan amount
- account flag.

### B County Office Action

Upon receipt of RC 830, County Offices shall:

- verify that debt instruments exist or, if appropriate, that a net recovery buyout recapture agreement (NRBRA) or shared appreciation agreement (SAA) exists
- compare the information provided on RC 830 to the related promissory note, NRBRA, or SAA, as applicable, to identify any discrepancies

**Note:** Findings of the review shall be documented on RC 830.

- take necessary corrective action on any promissory note, NRBRA, SAA, or Program Loan Accounting System (PLAS) when either of the following occur:
  - difference in the principal loan amount or noncapitalized interest amount is more than \$100

## 2 Conducting Yearly Inventory (Continued)

### B County Office Action (Continued)

- interest rate must be corrected (It is not necessary to correct the promissory note when the rate on the note does not match RC 830 as a result of the interest rate being modified based on a limited resource review completed according to section 1951.25 of RD Instruction 1951-A.)

**Notes:** Obtain guidance from the regional attorney, through the State Office, about any necessary corrections to promissory notes, NRBRA's, or SAA's.

Submit cases requiring corrections to PLAS on RD 1951-62 by:

- mail to the following:

USDA, Farm Service Agency  
Loan Operations Division  
P.O. Box 200003  
St. Louis, MO 63120-0003

- FAX to:
  - 314-539-3111 for States 01-32
  - 314-539-6447 for States 33-64.
- obtain guidance from the regional attorney, through the State Office, about the need to replace lost or missing debt instruments
- advise SED of the results of the review by July 31 of each year
- retain RC 830 as a subdivided file under the subject heading FLP 4-1, Reports, until the next year's report has been received and reviewed.